



The CODE

The Newsletter of
the International Cyanide
Management Institute
www.cyanidecode.org

2nd Quarter 2016 Edition

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Welcome to the 2nd Quarter 2016 edition of The Code.

ICMI Considers Opening Cyanide Code to Include Primary Silver Mines

ICMI's Board of Directors is considering opening the Cyanide Code program to include primary silver mines. Cyanide is used to recover silver in the same manner used to recover gold, but silver production typically requires a higher cyanide concentration. Because the risks to human health and the environment from the manufacture, transport and use of cyanide in the silver industry are similar to those presented by the gold industry, making certification under the program available to the silver sector is a logical next step. About 30 percent of the world's silver production comes from primary silver mines (where silver is the focus of production); the balance is from polymetallic, base metal, or gold mines.

A signatory fee structure for silver mining companies based on "gold equivalent ounces" of silver production, as well as minor revisions to program documentation would be needed to include primary silver producers in the program. ICMI will soon be seeking stakeholder comment on the proposed expansion of the program's scope to include silver miners, and will post a notice on its website.

ICMI Teamed with ANiQ for Training Seminar in Mexico

On June 19 & 20, 2016, ICMI teamed with ANiQ, the National Chemical Industry Association in Mexico, to hold a two-day training seminar in Celaya, Guanajuato, Mexico. Seminar topics included cyanide chemistry and analysis, cyanide production process, industrial uses of cyanide, potential impacts of cyanide on human health and the environment, safe handling of cyanide, emergency response to cyanide releases and exposures, cyanide's use in the gold industry, and the Cyanide Code program. ICMI Vice President Eric Schwamberger, Ph.D., led the training workshop. Because some of the 24 persons in attendance were not involved in gold mining, he emphasized aspects of the program that can and should be applied to all industrial uses of cyanide, such as the need for written cyanide management plans, procedures and systems, emergency response planning, and the safe handling of cyanide and materials containing cyanide.

Dissemination of information on safe cyanide management is especially important in Mexico, the world's eighth largest producer of gold, as it continues to expand its production. The seminar was particularly timely as the country's first major sodium cyanide production facility is scheduled to commence operation in August, 2016.

2015 Annual Report

The International Cyanide Management Institute has published its 2015 annual report, *"The Code at 10."* The report marks the tenth anniversary of the program's implementation and highlights its progress over the past decade. The report identifies a number of milestones the Cyanide Code has achieved and provides statistics on its continued growth. The report also notes the program's evolution during 2015, discusses the benefits the Cyanide Code brings to its participating companies and its stakeholders, and presents the Institute's financial statement. The report can be viewed at http://cyanidecode.org/sites/default/files/pdf/2015_Annual_Report_v5.pdf.

Signatory Fees Set for 2017

ICMI is sustained by the signatory fees paid annually by the Cyanide Code's participating companies, and it last increased signatory fees in 2015. Gold mining companies participating in the Cyanide Code will see a 5% increase in the signatory fee rate for 2017, from US\$0.04/ounce to \$0.042/ounce. The flat fees of \$6,000 and \$1,000 for signatory cyanide producers and transporters in place for the past two years will increase to \$6,300 and \$1,100, respectively.

The increases in annual fees was determined necessary by ICMI's Board of Directors in the face of declining gold production by many of the program's participating mining companies. The increases are intended to compensate for this lower production rate rather than to raise the program's level of funding.

Code Questions

Question: Two years after its initial certification, a supply chain replaces the trucking company that it was using when first audited ("Trucker 1") with a different one ("Trucker 2"), following applicable ICMI procedures (e.g., notification to ICMI, submittal of an addendum to the certification audit report addressing Trucker 2's operations). Neither trucking company was individually certified. What is the Cyanide Code's expectation with respect to Trucker 1's performance when the supply chain undergoes its first recertification audit, considering that the auditor can no longer inspect the operation and may not have access to the company's records?

Answer: Recertification audits evaluate compliance with the Cyanide Code over the preceding three-year period, so the audit must assess Trucker 1's performance during the first two years of the supply chain's operation and the auditor must consider the compliance of Trucker 1 and Trucker 2 in determining whether to certify the supply chain. However, it is recognized that the direct observation of Trucker 1, including the inspection of equipment and interview of personnel, will not be possible, and that operating and maintenance records as well as other documentation may not be available for the auditor's review. Regardless, the supply chain's consignor is responsible for ensuring that all elements of the supply chain comply with the Cyanide Code, and records of such oversight (e.g., audits of Trucker 1 conducted by or submitted to the consignor, or other documentation of compliance submitted to and retained by the consignor) should be available for the auditor's review.

The recertification audit report for the supply chain should identify the date on which Trucker 2 replaced Trucker 1 in the supply chain, confirm that the signatory consignor provided ICMI with the required notifications and addendum audit report within the prescribed timeframe, and clearly identify the bases for the findings for Trucker 1 as well as for Trucker 2. Any deficiencies regarding Trucker 1's compliance (as well as that of Trucker 2 and all other elements of the supply chain) should be identified and evaluated as discussed in ICMI's Guidance for Recertification Audits (<http://www.cyanidecode.org/sites/default/files/pdf/GuidanceforRecertificationAuditsApr2016.pdf>). Depending on the nature of Trucker 1's deficiency, it may be appropriate for the consignor to institute operating requirements or oversight practices designed to prevent Trucker 2 from experiencing similar compliance problems.